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**LEGISLATIVE UPDATE – FOCUS: CLIMATE CHANGE**

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*This document is an addendum to the Legislative & Policy Updates in order to inform the WFLC membership on one key issue. You can find this document posted on the WFLC members' website.*

**Pending National Climate Change Legislation - Overview**

Several pieces of legislation addressing climate change have been introduced during the 110<sup>th</sup> Congress. The two bills receiving the most media attention and scrutiny are the 'Lieberman-Warner' bill (S. 2191 – *America's Climate Security Act*) and the 'Bingaman-Specter' bill (S. 1766 – *Low Carbon Economy Act*). Other bills receiving less attention include: Feinstein-Carper (S. 317 – *Electric Utility Cap and Trade Act of 2007*); Oliver-Gilchrest (H.R. 620 – *Climate Stewardship Act of 2007*); Waxman-Allen (H.R. 1590 – *Safe Climate Act of 2007*); Kerry-Snowe (S. 485 – *Global Warming Pollution Reduction Act of 2007*); Lieberman-McCain (S. 280 – *Climate Stewardship and Innovation Act of 2007*); and, Sanders-Boxer (S. 309 – *Global Warming Pollution Reduction Act*).

All of these pieces of legislation seek to reduce greenhouse gas (GHG) emissions. Both of the more recognized pieces of legislation, the Lieberman-Warner and the Bingaman-Specter bills, seek to develop a cap and trade system. These two bills are similar but include different targets for reduction and methods for credit allocation. The Lieberman-Warner bill is more aggressive on GHG caps whereas the Bingaman-Specter bill has a more progressive safety valve. Another difference is that the Lieberman-Warner bill rewards states that have imposed aggressive requirements whereas Bingaman-Specter is silent on states interaction with the federal requirements if enacted.

**Potential Forestry Benefits/Impacts**

The Bingaman-Specter bill does not consider forestry operations to be a producer to be regulated under the cap and trade system. The Lieberman-Warner bill considers a portion of forestry and agriculture to receive allocations as part of the regulated cap. The Bingaman-Specter bill allows for up to \$25 billion to be held by federal government for research and other mitigation items. The Lieberman-Warner bill establishes an emergency wildland fire suppression fund that will received monies from the auctioning off of cap and trade receipts. The mandatory funding is set at \$1.1 billion a year. The Lieberman-Warner bill also sets aside funds for research on soil carbon and other land management activities that could benefit carbon sequestration.

The Lieberman-Warner bill appears to support the use of some offsets to support the initial cap and trade program but it is unclear the role forestry will play if an offsets program remains in the final bill. The Bingaman-Specter bill supports the use of some offsets as well, but areas that receive funding from the sale of credits are not eligible to participate—right now, some aspects of forestry and agriculture are proposed to receive credit funding, and therefore may not be eligible for these offsets.

**Current Status**

The Lieberman-Warner bill is expected to reach the floor in late spring, but the floor vote may be postponed in order to ensure they have secured the 60 votes necessary for passage. The current debate between the two major bills is centering on cost-containment and how both bills address the issue. If agreement can be reached on how to handle cost containment provisions, the negotiators will move on to other provisions. The discussions on both bills are ongoing and it is expected that any global warming legislation will include provisions from both bills.

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